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APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF MOZAMBIQUE

IPF:(1992-96) $ 93 000 000
(MOZ/89/C04) - Road Rehabilitation in the Province of Zambia

Date of approval by the AC:[1]	16 December 1992
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	National Directorate of Roads and Bridges
Proposed UNCDF contribution:	$ 2 974 000 Source of funds: General Resources
Proposed UNDP contribution:	$ 328 000 Source of funds: IPF

Project background

Mozambique is one of the poorest countries in the world with a GDP per capita of (US) $80. It is estimated that 60 percent of the 16.6 million population lives in absolute poverty. According to UNDP's 1992 Human Development Report, Mozambique is ranked 146th out of 160 countries in terms of the human development index.

To address the structural and sectoral economic problems in Mozambique, the Government has adopted an Economic and Social Rehabilitation Programme (ESRP) which has a number of policies to revitalize rural commerce, improve food security, and rehabilitate the transport sector. The Government's strategy is focused on the recovery of the agricultural sector, in particular, the family sector where the incidence of poverty is especially severe and the potential for growth greatest. A key element of the strategy is the revitalization of the trade linkages in the country for marketing and transport of crops and distribution of production inputs and consumer goods.

The proposed project intends to replicate at a larger scale the execution of two successful labour intensive feeder road rehabilitation projects (MOZ/85/007 and MOZ/89/009), financed by UNDP and executed by ILO/DNEP. It will also seek to complement other donor financed projects in the Zambezia province. The project which was identified in 1989 reflects a programming strategy adopted by UNCDF in Mozambique which seeks to concentrate its resources in areas with high development potential and where large numbers of refugees and displaced persons are expected to settle once the war is ended. This project together with another UNCDF financed road rehabilitation project in the province of Nampula (MOZ/89/C02: (US)5.6 million) will plan an important role in the current strategy for post-war emergency and rehabilitation in Mozambique.

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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Description of project

The development objective of the project is to improve the condition of the feeder road network in the priority areas indicated by the Government so as to provide access for emergency relief, community services and administration, and encourage production and transport of produce in order to improve socio-economic conditions in the areas served.

The immediate objectives of the project are to: (a) facilitate the major rehabilitation or reconstruction of approximately 100 km. of gravel and earth roads on the Gurue-Lioma-Mutuali route; (b) repair four major bridges and a number of minor bridges and box culverts; (c) improve drainage along all road sections with pipe culverts and side and mitre drains; (d) establish labour intensive road maintenance systems; (e) improve the capacity to construct and maintain roads in the region using both light mechanical and labour-based methods by providing training in construction, supervision and inspection; (f) establish road inventories; (g) provide testing equipment for materials; and (h) upgrade plant and equipment and its maintenance in the independent Zambezia Provincial Construction Enterprise for Roads and Bridges (ECMEP) and the Provincial Directorate for Roads and Bridges (DPCA).

Inputs

The Government will finance the project to the extent of (US) $594,000 to cover local costs including suitable counterpart staff supervisors, labour, operators, drivers, materials and provision of permanent military escorts; and will also provide the resources required to maintain the roads once they are reconstructed.

UNCDF will procure new equipment through selective international competitive bidding process executed by DNEP, supply funds for spare parts, construction materials, construction equipment and costs for housing, offices, stores and garages, subcontract of a UNV administrator, formulation and regular UNCDF monitoring and evaluation costs, contingencies and programme support costs.

UNDP will provide the technical assistance team and resources through the umbrella project (MOZ/91/007) Management Assistance to FRP, (Phase 1) (US $7 million). The UNDP contribution relating specifically to the UNCDF project amounts to (US) $328,000, to finance the costs of a project manager, two road engineers and one mechanical engineer.

WFP will supply food to the local project personnel as part of the above-mentioned UNDP/ILO project (MOZ/91/007). Their contribution to this specific project will be 2,724 metric tons of food aid whose value is estimated to be (US) $514,000.

Other donors, especially SIDA, DANIDA, Swiss Cooperation and IIDA will contribute indirectly to the project, through their support to upgrade the Provincial and National capacity of DNEP and ECMEP to execute road construction and maintenance programmes.

Financial data

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Missions (formulation, studies, monitoring and evaluation)	220 000
UNV Accountant	90 000
Spare parts and construction materials	720 000
Construction equipment	1 253 000
Transportation equipment	43 000
Operation and maintenance and contingencies	540 000
Programme support costs	108 000
Total	2 974 000

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APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF NEPAL

IPF:(1992-96) $ 77 800 000
(NEP/89/C04) - Small Marketing Infrastructures

Date of approval by the AC:[1]	16 December 1992
Expected duration:	Three years
Proposed executing agency:	UNDP/OPS in association with FAO
Government implementing agency:	Department of Agricultural Development (DAD)
Proposed UNDP contribution:	$ 3 572 000 Source of funds: General Resources

Project background

The Government of Nepal is concerned about the significant shift in employment from the farming sector to non-farming sector. The non-farm population is expected to increase from 16 percent of the total population in 1990 to 35.5 percent in year 2010. At present, the ratio of food producers to non-producers is 5:1 and is projected to be 1.8:1 in year 2010. This decline in number of non-food producers and the shift toward urbanization, highlights the importance of expanding production as well as shifting farming activity from subsistence farming with occasional marketable surpluses to a fully commercial activity.

The present marketing system cannot handle the projected increase in demand. Lack of any marketing infrastructure, the existing transportation constraints and lack of farmer cooperative groups to organize bulk collection, grading, packaging and bulk transportation of produce to various demand markets, are considered major limitations to rapid increase in agricultural production. To bring about a nation-wide improvement in the marketing organizations, the Government intends to undertake with assistance from external donors, a hierarchical network of marketing facilities. In support of the Government, UNCDF has financed the Kalimati Wholesale Market in Kathmandu which is at the top of the marketing hierarchy. At the bottom and the intermediate level of the network will be trading centers and a series of local collection points located close to the "production pockets".

Description of project

The project will consist of the following four components which corresponds to the four main outputs it attempts to produce: (1) development of marketing infrastructures in the Central Region and in Pokhara; (2) formation and training of "farmer user groups" and "user committees"; (3) development of a market information network; and (4) introduction of an improved packaging system.

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Component One: Development of Marketing Infrastructures

The project is designed around experiences of FAO/Swiss funded pilot collection centers in Palung and Lalbandi. It will construct 19 marketing facilities (13 collection centers, three trading centers and three urban centers), and will geographically concentrate in the Central region and Pokhara. The limited geographical focus of the project is because: (1) priority is given to the Central region which contains both the major production and consumption areas; and (2) priority is given to the completion of the marketing networks that would facilitate flow of goods to the largest demand center in the country (i.e. Kathmandu) in order to take full economic advantage of the UNCDF investment in the Kalimati Wholesale Market.

Component Two: Group Formation and Training of "user groups & user committees"

FAO as the implementing agency for software activities of the project, will sub-contract NGO's, local government agencies and private sector organizations in order to identify and train user groups in different locations. The process of group formation will involve the following activities: (i) formation and registration of farmer/trader user groups (under the Cooperative Act); (ii) involvement of user groups in making selecting a market management of the markets and administration of fee collection, financial recording and account management committee; (iii) active involvement of user groups in making decisions regarding site selection, services and functions of the market; and (iv) training of user groups in day to day self-management of the markets and administration of fee collection, financial recording and account management.

Component Three: Development of a Market Information Network

Connection of each market to the national telephone network will be financed where trunkline is available. Each market facility will collect and disseminate information on daily prices, volumes of supply, levels and location of demand, to its users and its contact markets.

Component Four: Introduction of an Improved Packaging System

The project will provide each center with about three truck load of plastic crates (900 crates) for demonstration purposes. Introduction of plastic crates will allow farmers to pack a larger volume of fruits and vegetables while preserving produce quality.

Inputs

UNCDF will provide a series of subcontracts to local consulting firms for engineering design and supervision, a subcontract for construction activities to local contractors, a subcontract for formation and training of farmer user groups to NGO's, private organizations and government agencies; an international marketing expert and a project engineer/architect; and procurement of equipment (sorting tables, plastic crates, vehicles, office equipment and telecommunication equipment). Public land for construction of the markets, temporary office space, extension officers, salaries of national project coordinator and PIU office staff will be funded by the Government.

Financial data

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Personnel	1 007 000
Subcontract	1 402 100
Training	50 000
Equipment	487 400
Miscellaneous	51 000
Contingencies	180 900
Support costs	393 600
Total	3 572 000

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